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## **BIWEEKLY REPORT**

# **SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS**

EIC-WGR 1/106  
29 February 1960

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

**Printed and Disseminated by the  
Central Intelligence Agency**

Summary of Events\*  
12 - 25 February 1960

On 13 February the USSR and Cuba signed two agreements that together represent a radical departure in Cuba's trade and economic policy. The first pact, which calls for the Soviet purchase of 1 million Spanish long tons\*\* of sugar annually for 5 years (80 percent payable in merchandise and 20 percent in dollars) is the largest barter agreement that the Cuban government has signed and the first inter-governmental trade pact that Cuba has made with a Bloc country. The second agreement calls for the extension of a Soviet line of credit of \$100 million for industrial and agricultural equipment. This credit is the first known to have been extended to Cuba by a Bloc country.

The visit of Soviet Premier Khrushchev to India and Burma (11-16 February) brought few, if any, results. No new offers of aid to India were made public during the trip, and the only indication that additional Soviet aid was discussed with India was a statement by First Deputy Premier Kozlov that the USSR might be willing to give between \$420 million and \$630 million in additional aid for India's Third Five Year Plan (1961-66). During his stay in Burma, Khrushchev reportedly discussed with Burmese leaders the possibility of new Soviet economic aid.

In spite of the desire of Burma to curtail the operations of the two Chinese Communist banks in Burma -- the Bank of China and the Bank of Communications -- there are recent indications of an expansion of their lending activities. These banks are believed to be co-operating with left-wing associations by allocating low-interest loans to members, by subsidizing mutual-benefit societies, and by contributing to the funds of both Chinese and Burmese pro-Communist organizations.

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\* Unclassified tables showing the value of Sino-Soviet Bloc trade with underdeveloped countries of the Free World (1958 and the first half of 1959) and the number of trade and payments agreements in force between Bloc countries and underdeveloped countries of the Free World (1958 and 1959) are included in this issue on pp. 10 and 13, respectively, below.

\*\* The Spanish long ton is the conventional unit of measure used in the international sugar market and is equal to 2,271.6 US pounds.

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Poland has offered India a \$31.5 million credit for the purchase of a variety of industrial plants and equipment. A Czechoslovak government enterprise has extended a credit of \$1.7 million to a private Indian firm for machinery to produce automobile tires.

A large number of Chinese Communist agricultural experts reportedly are expected to arrive in Guinea this spring to assist the Guinean government in its programs for the raising of livestock and the cultivation of rice. Guinea also expects the arrival of 60 medical service personnel from Czechoslovakia during 1960.

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Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010106-3

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